

# Annual Report 2000 of the Environmental Finance Center Network

Environmental Finance Center Network

2000 Annual Report

## EFC at the University of Southern Maine

### The University of Southern Maine in Region 1 is the Newest EFC in the Network

The Region 1 New England Environmental Finance Center (NE/EFC) at the University of Southern Maine is structured as a knowledge-based clearinghouse, training, and change-agent program aimed at helping EPA's constituencies find financially successful approaches to environmental improvements. It will develop approaches to needs of particular priority in New England and potentially useful throughout the nation; share such approaches through the EFC Network; and help make tools from that network accessible throughout New England.

The initial focus of the New England EFC is the emerging importance throughout the region of innovative approaches to land preservation, growth conservation, and habitat guidance that moves beyond public regulation to include financial incentives and partnerships between the public, non-profit, and private sectors. New England has

In this issue...

Introduction .....	1
Accomplishments .....	2
New Initiatives .....	4

a traditionally strong and increasingly innovative community of non-profit organizations, such as land trusts, involved in funding land acquisition, protection, and long-term stewardship. For example, in 1985 Maine had less than a dozen land trusts of all kinds; today there are 82, with the most recent one formed in the Town of Buxton just months ago. In Connecticut, the 20-year-old Land Trust Service Bureau (a statewide liability insurance pool) reports that trusts have grown from 70 in 1980 to more than 115 today. (Bowers, 2000). At the same time, new public-private collaborations have emerged to fund and guide "co-development" projects combining housing, open space preservation, and ecological systems protection.



Historically, the New England states have the nation's longest continuous experience with private land conservation, with some organizations' activities measured in centuries, such as the Society for the Preservation of New Hampshire Forests and the Massachusetts Trustees of Reservations. While there has been remarkable growth in local land trusts in recent years, some leaders of this community recognize compelling needs for innovation in the face of current challenges and opportunities. It is to these

challenges and opportunities that the newest EFC seeks to respond.

## ACCOMPLISHMENTS

In 1999 the NE/EFC began exploring with potential users how this ninth of the nation's EFCs might best address the region's needs. The assessment continued through the Muskie School's EFC proposal to EPA Region I in 1999, its designation as NE/EFC in Spring 2000, and a Fall 2000 planning phase conducted under the terms of a modest planning grant from EPA Region I. Interviews were held with a sampling of the organizations which are currently most active and innovative in statewide and regional efforts to help the non-profit conservation community or local governments develop capacity for land, habitat, and ecosystem protection, primarily in Connecticut, New Hampshire, Maine, and Vermont. Additional information also came from two specific sources. The first was a charrette on alternative wastewater treatment finance conducted jointly with the Region 3 EFC in the Hyannis Park section of Yarmouth, MA in September 2000 (see Case Study attached). The second was a meeting with key Region I staff responsible for a variety of programs, also held in September 2000.

Four major findings emerge from comparing the several states, and what we learned about their needs:

1. The new potential for partnerships between non-profit conservation organizations and state institutions in training and assistance to local communities;
2. The growing potential for creative partnerships among the private, non-profit, and public sectors to protect important public values on the land, through a more strategic approach to land conservation;
3. The unrealized strategic leveraging power of growing state land protection monies if appropriate local partnerships are realized; and
4. The widespread client desire to link EPA's assistance and resources to local environmental needs and actions.

Our analysis indicates that, from the EFC's perspective, the critical needs appear to be, first, to gather knowledge about innovative solutions to local problems and, second, to foster the capacity for creative partnerships and collaborations through use of this knowledge.

In addition to these findings from the state visits, the Hyannis Park wastewater system charrette and meetings with EPA Region I managers revealed additional concerns. Among these are the need for creative public-private funding for alternatives to individual, on-site septic systems, where serious threats exist to environmental quality. Additionally, there is need for local capacity-building in areas such as managing Brownfields revolving fund accounts. Further, there is concern at EPA about how communities and states will implement revised stormwater rules. Finally, there is a perceived need to find the best way at the federal level to assist communities with "smart growth."

Although the totality of these needs seem wide-ranging and disparate, our inquiries lead us to propose that most of the expressed needs are more closely related than is apparent from a simple inventory. Historically, there have existed wide gulfs between the separate efforts. Traditionally, land trusts have focused on preservation, disconnected from other, complementary land use needs, such as fostering the best locations for where people will live, businesses will locate, and infrastructure will be built to avoid

degrading resources. New England towns, for their part, have primarily attempted to limit property rights with simple zoning and fostered the piecemeal conversion of the landscape until rising land values make public or non-profit action to purchase the remaining large open space a necessity.

Traditionally, environmental protection programs at the state and federal level have focused on media-specific (water, air, toxics) and functional (e.g., landfill) problems, and largely ignored the question of local guidance of overall growth. The absence to date of strong state mandates such as Oregon's urban growth boundaries (which poorly fit New England's situation culturally, politically, or geographically) and of sufficiently rapid urbanization to support partial market solutions like Transferable Development Rights, have frustrated efforts to find a "magic bullet" solution to the slower but inexorable form of "sprawl" we see in New England.

With the exceptions of the controversy over landscape-scale issues like the North Woods of New England, and specific biological resource preservation issues such as the Atlantic Salmon ESA listing, the approaches we have found and describe here share certain characteristics vital to the New England setting:

1. Negotiated or partnered collaborations among separate institutions;
2. "Proving" the feasibility of approaches in each locale through negotiation and brokering among each set of participants, and capacity-building for these participants through training and good practice models;
3. Acknowledging while at the same time challenging the historic small scale of local authorities in the New England landscape, rather than trying to work around it; and

4. Developing land conservation actions that are forward looking and strategic, rather than crisis driven.

A straightforward example of this process at work is "co-development." We find examples of "greenfield" developers, land trusts, and town governments entering into agreements to preserve land as mitigation for town approval, where several private and public funding sources are mixed, and multiple goals (housing, open space, fiscal feasibility of new design patterns) are beginning to be met. Success, however, has to be earned in every place where action takes place.

Organizations that have been working at a statewide level view such local and regional innovations as essential and even urgent; but they also have a realistic view of the obstacles to promoting such innovation. The tendency of conservationists to focus primarily on aesthetic and recreational open space issues, or for local planning officials to put low apparent priority on environmental consequences, is known and remarked upon; but it may be a distraction from the real need, which is effective partnering among previously independent (and often opposed) participants.

Among the problems that organizations in these states mentioned are the simple lack of funding and concern that federal funding tied to traditional media programs are often inaccessible for innovations; a need to engage municipal and town governments more closely; the need to increase the awareness of the environmental impact of certain actions as a precondition to innovations; and acceptance of new approaches such as co-development, because there will never be enough money to buy all the land needed for environmental protection at the local or watershed scale.

The needs brought to light by the Hyannis Park wastewater finance charrette and in conversation with EPA program managers (see Table 1) are different in content, but similar in terms of the capacity-building needs throughout Region I to promote innovation. In the Hyannis Park case, the actors brought together were not ready to consider innovative solutions to a problem because they were not yet informed adequately about either the environmental problem or the full range of interests that might be engaged (Barringer, 2000). Yet the charrette itself changed the setting and is an actual step toward addressing the problem.

EPA programmatic concerns about other areas such as the implementation of revised national stormwater regulation standards are, we believe, going to require similar strategies to promote learning at each locale's level. Stormwater management in much of the New England landscape is necessarily linked to open space, habitat protection, and land use issues, especially because most non-commercial and even many commercial projects do not occur at a sufficiently large scale spatially or financially to make use of the best on-site practices.

Another application for what we learned is in the "smart growth" arena. Traditional private conservation investments and town responsibilities for allocating land and infrastructure for growth and open space have been disconnected organizationally, as well as in terms of not working on common or complementary goals. Examples of co-development, the blending of public and private funds for land protection, and growth of awareness of the environmental quality dimensions of open space, all reflect responses to a systematic planning need. Successful smart growth is paid for economically in part by integrating development and environmental conservation and quality needs, not divorcing them, as has been the historical practice in many, if not most places.

Successful implementation, this appraisal suggests, will need a collaborative, learning environment that goes beyond the boundaries of a single state level implementation agency, and influences the community level as well. Maine DEP's sponsorship with Region I of a Project NEMO demonstration reflects the Maine water program's very proactive concern about these needs, to cite but one example from the region.

Will the EFC would be viewed as valuable (for example, in an advisory and user network), and under what conditions will value-added be optimized? Among the most important points we heard was that the EFC should focus on well-targeted niches rather than diluting efforts; and that an organization that helps EPA better "hear" from a broad set of state and local actors could be very valuable.

In some states, the organizations we visited expressed the view that they have the ability to meet capacity-building needs but no resources to do it; while in others we heard that the sharing of successful innovations and the confidence this can build is needed. These are the "give me the money" versus the "give me the success story" sides of what is by no means a clear-cut situation. There was consensus, however, that lessons about innovations of the kind mentioned here do not get shared outside state borders at the local level very much, even while the NE states share many similar situations and can learn much from transfers.

## NEW INITIATIVES FOR 2001

EFC start-up funding is aimed specifically at *capacity-building* of the region-wide mission of the Center over the long term, and not merely at specific projects and products. Capacity-building tasks for the

NE/EFC may best be seen, then, in the context of a three-to-five year work program that moves us stepwise towards our goals and vision for where we want the NE/EFC to be at that time. These goals include developing the knowledge base and network of collaborators for region-wide strategic land conservation innovations at the local level; and, second, extending such collaborations to the support of specific Region I program needs such as stormwater, watershed, and brownfields management; and, third, establishing diverse funding sources for the EFC mission, goals, programs, and projects.

In this strategic context, we have suggested the following to EPA New England as the initial work agenda for the NE/EFC in its first two years of EPA funding:

#### **New approaches to strategic land conservation in New England**

A series of workshops, to be held in more than one location in the region, to look at:

- Innovative financing approaches
- Strategic conservation successes
- Land conservation as a tool for environmental quality management
- Co-development and innovative wastewater treatment
- Matching state and local priorities

Each workshop would be presented by people whom we identify as having good stories (successes or failures) to tell; each would make use of a set of reference materials that we will prepare; and we would use the workshops to build a further set of materials that would form the basis of a future, ongoing set of training programs. We may seek foundation money to

produce videotapes of the workshops and videotaped presentations of the material.

#### **Regional conference on strategic land conservation.**

Building on the series of workshops proposed in number one above, funding will be sought to convene a New England-wide conference to promulgate findings from the workshops, and the idea of “strategic land conservation” based upon the integration and application of sound planning, finance, and ecosystem principles at the local level.

#### **Inventory of conservation lands in New England**

Develop a regional inventory, from existing sources, of protected conservation lands, starting with a sample sub-state region as a step towards:

- a New England-wide data base.
- Demonstrating the economic costs and benefits of land protection from a valid data base.

The inventory, beginning with an assessment of available data and a long-term plan to create the regional database, would likewise be the basis for further grant applications.

#### **Broker relationships**

Broker relationships and arrangements among New England State agencies municipalities, and businesses and other members of the EFC Network with capacities in water resources management, brownfields financing, etc.

**EFC Network Plan**

Contribute to the development of the EFC Network Plan for 2001; focus on training appropriate clientele in accordance with the terms of the Plan; and explore other specific areas as part of the network-wide planning effort.

**Sources Cited**

Barringer, R. & Gilchrest, I., "Environmental Finance Charrette: Hyannis Park on Lewis Bay, A Case Study." Portland (ME): Muskie School of Public Service, NE/ EFC, Fall 2000.

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